

Volume II
Frequently Asked Questions
Emergency Impact Aid for Displaced Students
March 29, 2006

ELIGIBLE STUDENTS, LEAs, AND SCHOOLS

57. Are students considered displaced if they attend the same school in which they were initially enrolled when that school's physical location has changed as a result of one of the hurricanes?

Public or nonpublic school students who were enrolled in a school on August 22, 2005, in an area for which the Federal Government later declared a major disaster related to Hurricane Katrina or Rita, may be considered displaced students if the school in which they were initially enrolled had to operate (on one of the quarterly count dates) in different facilities after the hurricane(s). This would include schools that moved to other buildings, including other schools or non-school buildings, or were operating the entire school on the original site using portables or other temporary structures such as tents.

58. What if only a portion of the original school was damaged?

If the school in which students were enrolled on August 22 is still operating in the same facility, in whole or in part, the students attending it are considered to be attending the same school in which they were initially enrolled and would not be eligible displaced students for purposes of this program. It is possible, however, that a school in this situation in Alabama, Louisiana, Mississippi or Texas will qualify for Restart program funds. Local educational agencies (LEAs) in those States should consult with their State educational agency (SEA) regarding the eligibility criteria for Restart funding.

59. May an LEA that had displaced students in Quarter 1 but missed the January 26 deadline now submit data for that quarter? How about Quarter 2, 3 or 4?

An LEA that had displaced students in Quarter 1 and did not submit a timely initial application to the SEA by January 26, 2006, is not eligible now to submit data for public or nonpublic students for Quarter 1. However, LEAs may submit student count data for Quarters 2, 3, and 4, so long as they meet the application deadlines that their SEAs specify for those quarters.

60. May an LEA that had no displaced students in Quarter 1 submit an application to its SEA if it served displaced students on the SEA count dates for Quarter 2, 3 or 4?

This LEA may submit an application to the SEA for Quarter 2, 3 or 4. However, any nonpublic school displaced students reported by that LEA must have enrolled in an eligible nonpublic school before December 30, 2005.

61. Must a parent of a nonpublic school child who was enrolled in one eligible nonpublic school in one LEA prior to December 30, 2005, and another eligible nonpublic school in another LEA after December 30 complete separate applications with each LEA?

The parent of such a nonpublic displaced student should file applications with each of the LEAs where the nonpublic schools are located for the quarters that the student was enrolled on the State count dates.

62. Are for-profit schools eligible to receive funding under this program?

For-profit schools are not eligible to receive funding under this program. The Emergency Impact Aid Program uses the definitions in section 9101 of the Elementary and Secondary Education Act (ESEA) that specify that elementary and secondary schools must be nonprofit.

PAYMENTS

PLEASE NOTE: Payment amounts referenced in many of the examples in both Volume I and II of the FAQs are based on the statutory maximum amounts of \$6,000 or \$7,500 per pupil. The actual payment amounts will be proportionately reduced on a per-pupil basis if the amount available to the Department is not sufficient to make these payments in full.

63. What should an LEA do with the “extra” funds for nonpublic school children when the amount of tuition, fees, and reasonable transportation costs is less than the per-student distribution it receives?

These excess amounts should be retained by or returned to the SEA. The Department will work with SEAs to consider these funds in making subsequent distributions for this program. These adjustments will keep the per-student payments to SEAs and LEAs at the appropriate level for each public and nonpublic student.

64. What will count as an obligation and liquidation for LEAs that make payments into accounts on behalf of nonpublic students?

The Department considers an LEA's funds to be obligated and liquidated on the date that the LEA transfers funds to an account that is available to an eligible nonpublic school.

65. May a State consider monthly payments attributable to displaced students transmitted after December 30, 2005, as eligible for State retention of assistance under Section 107(d)(1)(C) of the Hurricane Education Recovery Act?

The Department interprets section 107(d)(1)(C) together with the cross-referenced quarterly installment language in section 107(d)(2)(A)(ii) to mean that a State may keep its proportionate share of the quarterly Emergency Impact Aid payments for the whole year. The retained amount may not exceed the State's proportion of the total cost of education of a student. States must use last year's per-pupil expenditure (PPE) figure for each applicant LEA in the State to establish or approximate the quarterly proportions that the SEA may retain for this school year.

For example, if last year's PPE figure was \$8,000 for one district and the State aid for this year provided to that district for educating an "extra" or displaced child would comprise 75 percent of that PPE figure, the State could not keep the full amount of Emergency Impact Aid funds that it might receive on behalf of that child. Rather, the SEA could keep up to 75 percent of those funds so that it and the LEA would be reimbursed in proportion to the percentage of expenditures for the whole year that each entity has made on behalf of displaced students. A State could, however, choose to retain a lesser portion of the Emergency Impact Aid funds or none at all.

66. May a State retain funds for payments it is legally required to make to school districts for the attendance of displaced students during the 2005-2006 school year when those payments are not scheduled to be transmitted until the 2006-07 school year?

Some States make payments based on estimates of student enrollment at the time the State budget is adopted. At the end of a school year, to the extent a district has exceeded the original estimate, the district is entitled to State payments to make up the difference. This process pays districts for expenses incurred in the prior year due to the attendance of extra students. Thus, those districts will receive, during the 2006-07 school year, State payments for 2005-06 school year attendance of displaced students.

So long as the SEA can meet the obligation of funds deadline under section 107, and it pays its full share of costs to affected LEAs in the 2006-2007 school year, it would be permissible for the SEA to keep its proportionate share of the costs that it will bear in the 2006-2007 school year for these extra students who are educated during the 2005-2006 school year. The SEA and LEAs should both ensure that they obligate the Emergency Impact Aid funds by July 31, 2006, and liquidate the obligations within 90 days of that date. See 34 C.F.R. 76.707 for examples of when we consider funds to be obligated.

67. Is it permissible for a State to distribute more aid on a per-pupil basis to some districts?

Except for the partial retention provision related to State aid and referenced in Question 65, States cannot make payments at different rates. The Department provides funds on a per-student basis to each State, using the same dollar figures for all regular public and nonpublic students and for all public and nonpublic students reported with disabilities. In addition, the Department will ensure that, before the end of the school year, payments will provide same per-pupil amount for each quarter. In some cases, an LEA may have to return funds to the SEA if a nonpublic school for which it reported displaced students in its application to the SEA is eligible for an amount that is less than the regular per student allocation.

Under section 107(d)(1)(C), SEAs are able to retain a portion of Emergency Impact Aid funds based on payments they provide to LEAs for displaced students for the 2005-2006 school year. An SEA might not have provided extra State aid for all districts serving displaced students, which would explain why some districts might receive a different proportion of the federal amount than others would receive.

68. What per pupil expenditure figure must an SEA use to calculate the amount it may retain?

An SEA must calculate any amount that it is retaining on an LEA-by-LEA basis, using last year's per-pupil expenditure figure for each LEA.

USES OF FUNDS

69. Even though this program is not part of the ESEA, may an LEA's administrative funds be combined into its Consolidated Administrative Account under Title IX of the ESEA?

Consistent with sections 9201(a)(2) and 9203(a) of the ESEA, the Secretary designates Emergency Impact Aid as a program whose State and local

administrative funds may be consolidated, subject to the respective Emergency Impact Aid statutory caps of one and two percent. The other Federal administrative funds included in the Consolidated Administrative Account are available for obligation for a longer period of time than the Emergency Impact Aid administrative funds. Thus, if an LEA chooses to consolidate its Emergency Impact Aid administrative funds with other funds, the Emergency Impact Aid administrative funds are considered to be timely obligated if the LEA can document that, between the time those funds were consolidated and July 31, 2006, it obligated an amount of Consolidated Administrative funds that is at least as great as the amount of Emergency Impact Aid administrative funds that it consolidated.

70. May Emergency Impact Aid funds be combined in Title I, Part A, schoolwide program campuses to upgrade the entire educational program of the campus?

Emergency Impact Aid funds may be combined in a schoolwide program school that serves displaced students and used for any activities included in the schoolwide plan. *See* 69 FR 40360, 40361, July 2, 2004: "Except for [Reading First funds], the Secretary authorizes a schoolwide program school to consolidate funds that the school receives from any Federal education program, administered by the Secretary, whose funds can be used to carry out activities in a public elementary or secondary school. This authority also extends to services, materials, and equipment purchased with those funds and provided to a public elementary or secondary school."

Emergency Impact Aid funds provided for a displaced student reported as a child with a disability, however, may only be used for special education and related services.

71. What kinds of transportation expenses can be supported with Emergency Impact Aid funds?

Reasonable transportation costs can include--

- Supporting costs of transporting students to and from school, after-school programs, tutorials, remediation programs, extended-year programs, and enrichment programs;
- Providing funds for additional bus drivers for displaced students;
- Replacing buses and supporting repair costs to buses; and
- Replacing other LEA or school vehicles.

72. What are some examples of allowable "education and support services" expenses?

In addition to typical costs associated with education and support services, such as security, examples of other allowable expenses that could be considered in this category include:

- Supporting the minor repair of facilities;
- Providing meals for extended-day programs; and
- Purchasing uniforms for displaced students attending an eligible public or nonpublic school.

RECORDKEEPING

73. With respect to accounting requirements for SEAs and LEAs that receive Emergency Impact Aid funds, should they establish separate fund codes or other tracking devices for these grants?

All SEAs and LEAs should establish separate fund codes or other processes for tracking their Emergency Impact Aid grants in order to allow for appropriate accountability for these funds. If these funds are not kept in separate accounts at the SEA and LEA levels, it may be difficult to document that they have been obligated and liquidated by the statutory deadlines. For example, if an SEA or LEA deposited these funds in a general account, an auditor might assume that an end-of-year balance contains Emergency Impact Aid funds in the same proportion that those funds represented of the state's or district's revenues. This could result in audit findings and the required return of funds to the Department. If the specifics of an individual State's accounting system require it, States have the flexibility to issue their own additional accounting requirements or guidance, so long as they are consistent with these guidelines.

Also, Emergency Impact Aid funds provided for displaced students reported as having disabilities must be recorded and tracked separately from Emergency Impact Aid funds provided for non-disabled students.

74. What is the obligation and liquidation period for the administrative funds associated with this program?

The July 31, 2006, obligation deadline applies to all Emergency Impact Aid program funds, including the administrative portion, and it applies to SEAs, LEAs, and Bureau of Indian Affairs schools. In addition, the 90-day liquidation period following that obligation deadline also applies to all of the funds, including the administrative portions. (See Question 64 regarding when LEAs (or some SEAs) obligate and liquidate funds for payments on behalf of nonpublic school students.)

75. Does a nonpublic school have to waive all tuition in order to access an account on behalf of a nonpublic school student whose parents applied for these funds?

A nonpublic school would not have to waive all of its normal tuition charges in order to access the Emergency Impact Aid support, but the school must waive or reimburse at least the amount that it is allocated for a displaced student. If a nonpublic school's tuition was \$12,000, the school could access a maximum of \$6,000 from that student's account in the case of a non-disabled student and use that amount to reimburse the parents for the portion of the tuition that the parents paid.

76. When an LEA does not have documentation from a parent that the family was displaced or from a nonpublic school that an eligible displaced student was enrolled in on the count date, must it still make a payment to a nonpublic school on behalf of that student within 14 days of receiving funds from the SEA?

The parents of nonpublic school children are required to submit applications for this program on behalf of their children. In addition, the nonpublic schools they attend must verify their enrollment on the count dates identified by the state and certify that they will use program funds only for allowable costs. LEAs should not make a payment into an account on behalf of a nonpublic school student unless all of the appropriate paperwork has been received on behalf of that child. The LEA should release funds for all other eligible nonpublic students while waiting for the required documents for any students for whom the paperwork is incomplete.

77. What additional information is available about the various civil rights requirements that are referenced in Question 51, FAQs Volume I?

More details on these requirements can be found on OCR's website at <http://www.ed.gov/about/offices/list/ocr/index.html>.